

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Barcode 02003968 hours per response . . . 12.00

ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER 8- 18394

FACING PAGE Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

3/8/02

REPORT FOR THE PERIOD BEGINNING 01/01/2001 AND ENDING 12/31/2001 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Rosenthal International Limited

OFFICIAL USE ONLY FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1370 Broadway

(No. and Street)

New York

NY

10018

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John Clark

212-356-1425

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Marks Paneth & Shron LLP

(Name - if individual, state last, first, middle name)

622 Third Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- [X] Certified Public Accountant
[ ] Public Accountant
[ ] Accountant not resident in United States or any of its possessions.

PROCESSED MAR 21 2002

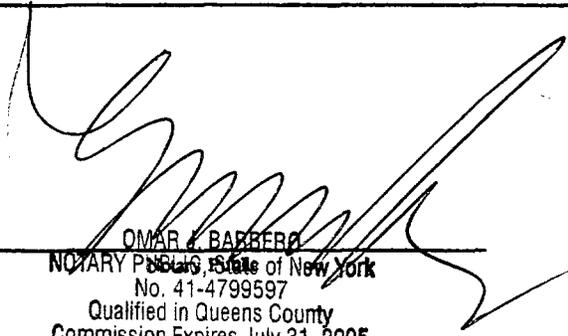
FOR OFFICIAL USE ONLY THOMSON FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Stephen J. Rosenthal, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Rosenthal International Limited, as of December 31, 192001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
OMAR J. BARBERO  
NOTARY PUBLIC, State of New York  
No. 41-4799597  
Qualified in Queens County  
Commission Expires July 31, 2005

  
Signature  
President  
Title

This report\*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditor's Report on Internal Accounting Control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FORM  
X-17A-5**

**FOCUS REPORT**

OMB No. 3235-0123  
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART II** 11

3/90

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
 4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

Rosenthal International Limited 13

8-18394 14  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

13-2929674 15

1370 Broadway 20

FOR PERIOD BEGINNING (MM/DD/YY)

(No. and Street)

01/01/2001 24

New York 21      NY 22      10018 23

AND ENDING (MM/DD/YY)

(City)

(State)

(Zip Code)

12/31/2001 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code)—Telephone No.

John Clark 30

212-356-1425 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Manual signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

WORKING COPY

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

Marks Paneth & Shron LLP

**INDEPENDENT PUBLIC ACCOUNTANT** whose opinion is contained in this Report

Name (if individual, state last, first, middle name)

	622 Third Avenue	New York	NY	70	10017
<b>ADDRESS</b>	<b>Number and Street</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	

	71	72	73	74
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Check One

- ( X ) Certified Public Accountant 75
- ( ) Public Accountant 78
- ( ) Accountant not resident in United States or any of its possessions 77

**FOR SEC USE**

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**DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY**

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52 5	3				

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER**

Rosenthal International Limited

**N2**

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**STATEMENT OF FINANCIAL CONDITION**

As of (MM/DD/YY) 12/31/01

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SEC FILE NO. 8-18394

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Consolidated

198

Unconsolidated

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**ASSETS**

Allowable

Nonallowable

Total

1. Cash	\$ 55,201	200		\$ 55,201	750
2. Cash segregated in compliance with federal and other regulations		210			760
3. Receivable from brokers or dealers and clearing organizations:					
A. Failed to deliver:					
1. Includable in "Formula for Reserve Requirements"		220			
2. Other		230			770
B. Securities borrowed:					
1. Includable in "Formula for Reserve Requirements"		240			
2. Other		250			780
C. Omnibus accounts:					
1. Includable in "Formula for Reserve Requirements"		260			
2. Other		270			790
D. Clearing organizations:					
1. Includable in "Formula for Reserve Requirements"		280			
2. Other		290			800
E. Other		300	\$ 550		810
4. Receivables from customers:					
A. Securities accounts:					
1. Cash and fully secured accounts		310			
2. Partly secured accounts		320	560		
3. Unsecured accounts			570		
B. Commodity accounts		330	580		
C. Allowance for doubtful accounts	( )	335	590		820
5. Receivables from non-customers:					
A. Cash and fully secured accounts		340			
B. Partly secured and unsecured accounts		350	600		830
6. Securities purchased under agreements to resell		360	605		840
7. Securities and spot commodities owned, at market value:					
A. Bankers acceptances, certificates of deposit and commercial paper		370			
B. U.S. and Canadian government obligations	99,800	380			
C. State and municipal government obligations		390			
D. Corporate obligations		400			

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** Rosenthal International Limited

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION**

**ASSETS**

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants	410		
F. Options	420		
G. Arbitrage	422		
H. Other securities	424		
I. Spot commodities	430		\$ 99,800
8. Securities owned not readily marketable:			
A. At Cost	130		
B. At estimated fair value	440	610	860
9. Other investments not readily marketable:			
A. At Cost	140		
B. At estimated fair value	450	620	870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities	150		
B. Other	160	630	880
11. Secured demand notes - market value of collateral:			
A. Exempted securities	170		
B. Other	180	640	890
12. Memberships in exchanges:			
A. Owned, at market value	190		
B. Owned at cost		650	
C. Contributed for use of company, at market value		660	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	700,549	700,549
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization)	490	680	920
15. Other Assets:			
A. Dividends and interest receivable	500	690	
B. Free shipments	510	700	
C. Loans and advances	520	710	
D. Miscellaneous	5,399	720	5,399
16. TOTAL ASSETS	\$ 160,400	\$ 700,549	\$ 860,949

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** Rosenthal International Limited

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 1460
B. Other .....	1040	1250	1470
18. Securities sold under repurchase agreements ..		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1490
2. Other .....	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		1510
2. Other .....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		1550
2. Other .....	1105	1310	1560
E. Other .....	1110	1320	1570
20. Payable to customers:			
A. Securities accounts -including free credits of .....	\$ 950		1580
B. Commodities accounts .....	1120	1330	1590
21. Payable to non-customers:			
A. Securities accounts .....	1140	1340	1600
B. Commodities accounts .....	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of .....	\$ 960	1360	1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		1630
B. Accounts payable .....	1170		1640
C. Income taxes payable .....	1180		1650
D. Deferred income taxes .....		1370	1660
E. Accrued expenses and other liabilities .....	1,250		1,250
F. Other .....	1190	1380	1670
	1200		1680

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\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** Rosenthal International Limited

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY (continued)**

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
24. Notes and mortgages payable:			
A. Unsecured .....	\$ 1210		\$ 1690
B. Secured .....	1211	\$ 1390	\$ 1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings .....		1400	1710
1. from outsiders ▼ \$	970		
2. Includes equity subordination (15c3-1 (d)) of .....	\$ 980		
B. Securities borrowings, at market value;		1410	1720
from outsiders \$	990		
C. Pursuant to secured demand note collateral agreements; .....		1420	1730
1. from outsiders \$	1000		
2. Includes equity subordination (15c3-1 (d)) of .....	\$ 1010		
D. Exchange memberships contributed for use of company at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
26. TOTAL LIABILITIES .....	\$ 1,250 1230	\$ 1450	\$ 1,760

**Ownership Equity**

27. Sole proprietorship .....		\$ 1770
28. Partnership- limited partners .....	\$ 1020	1780
29. Corporation:		
A. Preferred stock .....		1791
B. Common stock .....		250,000 1792
C. Additional paid-in capital .....		1793
D. Retained earnings .....		609,699 1794
E. Total .....		1795
F. Less capital stock in treasury .....		( ) 1796
30. TOTAL OWNERSHIP EQUITY .....		\$ 859,699 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....		\$ 860,949 1810

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\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** Rosenthal Internatinal Limited

as of 12/31/01

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity (from Statement of Financial Condition – Item 1800)	\$	859,699	3480
2. Deduct: Ownership equity not allowable for net capital	(		3490
3. Total ownership equity qualified for net capital		859,699	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	859,699	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C)	\$	700,549	3540
1. Additional charges for customers' and non-customers' security accounts			3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:			3570
1. Number of items	▼ <sub>29</sub>	3450	
C. Aged short security differences-less reserve of	\$	3460	▼ <sub>30</sub> 3580
number of items		3470	
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities proprietary capital charges			3600
F. Other deductions and/or charges		20,000	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			3615
H. Total deductions and/or charges	(	720,549	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	139,150	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments			3660
B. Subordinated securities borrowings			3670
C. Trading and Investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper	▼ <sub>31</sub>		3680
2. U.S. and Canadian government obligations			3690
3. State and municipal government obligations			3700
4. Corporate obligations			3710
5. Stocks and warrants			3720
6. Options			3730
7. Arbitrage			3732
8. Other securities	▼ <sub>32</sub>		3734
D. Undue concentration			3650
E. Other (list)			3736
10. Net Capital	\$	139,150	3740
			3750

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** Rosenthal Intrnational Limited

as of 12/31/01

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

<b>Part A</b>			
11. Minimum net capital required (6-2/3% of line 19)	\$	83	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	25,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	25,000	3760
14. Excess net capital (line 10 less 13)	\$	114,150	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	139,025	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	1,250	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (vii))	\$		3838
19. Total aggregate indebtedness	\$	1,250	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	.8983%	3850
21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 ÷ by line 10 less Item 4880 page 11)	%	8983%	3853

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

<b>Part B</b>			
22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8)	%		3851
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits (line 10 less Item 4880 page 11 ÷ by line 17 page 8)	%		3854
28. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$		3920

**OTHER RATIOS**

<b>Part C</b>			
29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	.1452%	3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital	%		3852

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**PART II—FINANCIAL AND OPERATIONAL COMBINED FORM SINGLE REPORT**

<b>BROKER OR DEALER</b> Rosenthal International Limited	For the period (MMDDYY) from <u>01/01/2001</u> <sup>3932</sup> to <u>12/31/2001</u> <sup>3933</sup> Number of months included in this statement <u>12</u> <sup>3931</sup>
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**REVENUE STATEMENT OF INCOME (LOSS)**

<b>1. Commissions:</b>			
a. Commissions on transactions in listed equity securities executed on an exchange .....	\$		3935
b. Commissions on transactions in exchange listed equity securities executed over-the-counter .....			3937
c. Commissions on listed option transactions .....			3938
d. All other securities commissions .....		10	3939
e. Total securities commissions .....			3940
<b>2. Gains or losses on firm securities trading accounts</b>			
a. From market making in over-the-counter equity securities .....			3941
i. Includes gains or (losses) OTC market making in exchange listed equity securities .....		3943	
b. From trading in debt securities .....			3944
c. From market making in options on a national securities exchange .....			3945
d. From all other trading .....			3949
e. Total gains or (losses) .....			3950
<b>3. Gains or losses on firm securities investment accounts</b>			
a. Includes realized gains (losses) .....		4235	
b. Includes unrealized gains (losses) .....		4238	
c. Total realized and unrealized gains (losses) .....			3952
<b>4. Profits or (losses) from underwriting and selling groups</b>			
a. Includes underwriting income from corporate equity securities .....		4237	
<b>5. Margin interest</b>			
			3960
<b>6. Revenue from sale of investment company shares</b>			
			3970
<b>7. Fees for account supervision, investment advisory and administrative services</b>			
			3975
<b>8. Revenue from research services</b>			
			3980
<b>9. Commodities revenue</b>			
			3990
<b>10. Other revenue related to securities business</b>			
		49,737	3985
<b>11. Other revenue Recovery of Bad debts</b>			
		8,426	3995
<b>12. Total revenue</b>			
	\$	58,163	4030

<b>EXPENSES</b>			
13. Registered representatives' compensation .....	\$	12,000	4110
14. Clerical and administrative employees' expenses .....		9,000	4040
15. Salaries and other employment costs for general partners, and voting stockholder officers .....			4120
a. Includes interest credited to General and Limited Partners capital accounts .....		4130	
16. Floor brokerage paid to certain brokers (see definition) .....			4055
17. Commissions and clearance paid to all other brokers (see definition) .....			4145
18. Clearance paid to non-brokers (see definition) .....			4135
19. Communications .....		4,000	4060
20. Occupancy and equipment costs .....			4080
21. Promotional costs .....			4150
22. Interest expense .....			4075
a. Includes interest on accounts subject to subordination agreements .....		4070	
23. Losses in error account and bad debts .....			4170
24. Data processing costs (including service bureau service charges) .....			4188
25. Non-recurring charges .....			4190
26. Regulatory fees and expenses .....		51	4195
27. Other expenses .....		5,332	4100
<b>28. Total expenses</b>			
	\$	330,383	4200

<b>NET INCOME</b>			
29. Income (loss) before Federal income taxes and items below (Item 12 less Item 28) .....	\$	27,780	4210
30. Provision for Federal income taxes (for parent only) .....		4,229	4220
31. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4222
a. After Federal income taxes of .....		4238	
32. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	
33. Cumulative effect of changes in accounting principles .....			4225
<b>34. Net income (loss) after Federal income taxes and extraordinary items</b>			
	\$	23,551	4230

<b>MONTHLY INCOME</b>			
35. Income (current month only) before provision for Federal income taxes and extraordinary items .....	\$		4211

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** Rosenthal International Limited

as of 12/31/01

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALERS UNDER RULE 15c3-3  
(See Rule 15c3-3, Exhibit A and Related Notes)**

**CREDIT BALANCES**

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3)	✓	\$	4340
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B)			4350
3. Monies payable against customers' securities loaned (see Note C)			4360
4. Customers' securities failed to receive (see Note D)			4370
5. Credit balances in firm accounts which are attributable to principal sales to customers			4380
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days			4390
7. **Market value of short security count differences over 30 calendar days old			4400
8. **Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days	✓		4410
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days			4420
10. Other (List)			4425
11. TOTAL CREDITS		\$	NONE 4430

**DEBIT BALANCES**

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3		\$	4440
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver			4450
14. Failed to deliver of customers' securities not older than 30 calendar days			4460
15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (See Note F)			4465
16. Other (List)	✓		4469
17. **Aggregate debit items		\$	4470
18. **less 3% (for alternative method only — see Rule 15c3-1 (f) (5) (i))		(	4471
19. **TOTAL 15c3-3 DEBITS		\$	4472

**RESERVE COMPUTATION**

20. Excess of total debits over total credits (line 19 less line 11)	✓	\$	NONE 4480
21. Excess of total credits over total debits (line 11 less line 19)			4490
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits			4500
23. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period			4510
24. Amount of deposit (or withdrawal) including \$ 4515 value of qualified securities			4520
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ 4525 value of qualified securities		\$	4530
26. Date of deposit (MMDDYY)			4540

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**FREQUENCY OF COMPUTATION**

27. Daily ✓  4332 Weekly  4333 Monthly  4334

\*\*In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

<b>BROKER OR DEALER</b> Rosenthal International Limited	as of <u>12/31/01</u>
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**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION**

**CUSTOMERS' REGULATED COMMODITY FUTURES ACCOUNTS**

**SEGREGATION REQUIREMENTS**

<b>1. Net ledger balance:</b>	
<b>A. Cash</b> .....	\$ <span style="border: 1px solid black; padding: 2px;">7010</span>
<b>B. Securities (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7020</span>
<b>2. Net unrealized profit (loss) in open futures contracts traded on a contract market</b> .....	<span style="border: 1px solid black; padding: 2px;">7030</span>
<b>3. Exchange traded options:</b>	
<b>A. Add: Market Value of open option contracts purchased on a contract market</b> .....	<span style="border: 1px solid black; padding: 2px;">7032</span>
<b>B. Deduct: Market Value of open option contracts granted (sold) on a contract market</b> .....	( <span style="border: 1px solid black; padding: 2px;">7038</span> )
<b>4. Net equity (deficit) (total of 1, 2 and 3)</b> .....	<span style="border: 1px solid black; padding: 2px;">7040</span>
<b>5. Add accounts liquidating to a deficit and accounts with debit balances with no open trades</b> .....	<span style="border: 1px solid black; padding: 2px;">7050</span>
<b>6. Amount required to be segregated (total of 4 and 5)</b> .....	<span style="border: 1px solid black; padding: 2px;">7060</span>

**FUNDS ON DEPOSIT IN SEGREGATION**

<b>7. Deposited in segregated funds bank accounts:</b>	
<b>A. Cash</b> .....	\$ <span style="border: 1px solid black; padding: 2px;">7070</span>
<b>B. Securities representing investments of customers' funds (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7080</span>
<b>C. Securities held for particular customers or option customers in lieu of cash (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7090</span>
<b>8. Margins on deposit with clearing organizations of contract markets:</b>	
<b>A. Cash</b> .....	<span style="border: 1px solid black; padding: 2px;">7100</span>
<b>B. Securities representing investments of customers' funds (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7110</span>
<b>C. Securities held for particular customers or option customers in lieu of cash (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7120</span>
<b>9. Settlement due from (to) clearing organizations of contract markets</b> .....	<span style="border: 1px solid black; padding: 2px;">7130</span>
<b>10. Exchange traded options:</b>	
<b>A. Add: Unrealized receivables for option contracts purchased on contract markets</b> .....	<span style="border: 1px solid black; padding: 2px;">7132</span>
<b>B. Deduct: Unrealized obligations for option contracts granted (sold) on contract markets</b> .....	<span style="border: 1px solid black; padding: 2px;">7133</span>
<b>11. Net equities with other FCMs</b> .....	<span style="border: 1px solid black; padding: 2px;">7140</span>
<b>12. Segregated funds on hand:</b>	
<b>A. Cash</b> .....	<span style="border: 1px solid black; padding: 2px;">7150</span>
<b>B. Securities representing investments of customers' funds (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7160</span>
<b>C. Securities held for particular customers in lieu of cash (at market)</b> .....	<span style="border: 1px solid black; padding: 2px;">7170</span>
<b>13. Total amount in segregation (total of 7 through 12)</b> .....	\$ <span style="border: 1px solid black; padding: 2px;">7180</span>
<b>14. Excess (Insufficiency) funds in segregation (13 minus 6)</b> .....	\$ <span style="border: 1px solid black; padding: 2px;">7180</span>

NONE                      NONE

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT**  
**Capital Withdrawals**  
**PART II**

**BROKER OR DEALER** Rosenthal International, for the period (MMDDYY) from 01/01/2001 to 12/31/2001  
 Limited

**RECAP**

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of net capital.

**1. Equity Capital**

**A. Partnership Capital:**

1. General Partners	4700
2. Limited	4710
3. Undistributed Profits	4720
4. Other (describe below)	4730
5. Sole Proprietorship	4735

**B. Corporation Capital:**

1. Common Stock	4740
2. Preferred Stock	4750
3. Retained Earnings (Dividends and Other)	4760
4. Other (describe below)	4770

**2. Subordinated Liabilities**

A. Secured Demand Notes	4780
B. Cash Subordinations	4790
C. Debentures	4800
D. Other (describe below)	4810

**3. Other Anticipated Withdrawals**

A. Bonuses	4820
B. Voluntary Contributions to Pension or Profit Sharing Plans	4860
C. Other (describe below)	4870

Total \$ 4880

**4. Description of Other**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY**  
**(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period	\$ 836,148	4240
A. Net income (loss)	23,551	4250
B. Additions (Includes non-conforming capital of	\$ 4262	4260
C. Deductions (Includes non-conforming capital of	\$ 4272	4270
2. Balance, end of period (From Item 1800)	\$ 858,596,999	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period	\$ NONE	4300
A. Increases		4310
B. Decreases	( )	4320
4. Balance, end of period (From item 3520)	\$ NONE	4330

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART II

**BROKER OR DEALER** Rosenthal International Limited

as of 12/31/01

## FINANCIAL AND OPERATIONAL DATA

1.	Month end total number of stock record breaks unresolved over three business days:	Valuation	Number
	A. breaks long .....	\$ <span style="border: 1px solid black; padding: 2px;">4890</span>	<span style="border: 1px solid black; padding: 2px;">4900</span>
	B. breaks short .....	\$ <span style="border: 1px solid black; padding: 2px;">4910</span>	<span style="border: 1px solid black; padding: 2px;">4920</span>
2.	Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter? (Check one) .....	Yes <input checked="" type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">4930</span>	No <input type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">4940</span>
	A) If response is negative attach explanation of steps being taken to comply with Rule 17a-13:		
3.	Personnel employed at end of reporting period:		
	A. Income producing personnel .....	1	4950
	B. Non-income producing personnel (all other) .....	1	4960
	C. Total .....	2	4970
4.	Actual number of tickets executed during current month of reporting period .....	0	4980
5.	Number of corrected customer confirmations mailed after settlement date .....	0	4990
		No. of Items	Debit (Short Value)
6.	Money differences .....	<span style="border: 1px solid black; padding: 2px;">5000</span>	\$ <span style="border: 1px solid black; padding: 2px;">5010</span>
7.	Security suspense accounts .....	<span style="border: 1px solid black; padding: 2px;">5040</span>	\$ <span style="border: 1px solid black; padding: 2px;">5050</span>
8.	Security difference accounts .....	<span style="border: 1px solid black; padding: 2px;">5080</span>	\$ <span style="border: 1px solid black; padding: 2px;">5090</span>
9.	Commodity suspense accounts .....	<span style="border: 1px solid black; padding: 2px;">5120</span>	\$ <span style="border: 1px solid black; padding: 2px;">5130</span>
10.	Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days .....	<span style="border: 1px solid black; padding: 2px;">5160</span>	\$ <span style="border: 1px solid black; padding: 2px;">5170</span>
11.	Bank account reconciliations-unresolved amounts over 30 calendar days .....	<span style="border: 1px solid black; padding: 2px;">5200</span>	\$ <span style="border: 1px solid black; padding: 2px;">5210</span>
12.	Open transfers over 40 calendar days, not confirmed .....	<span style="border: 1px solid black; padding: 2px;">5240</span>	\$ <span style="border: 1px solid black; padding: 2px;">5250</span>
13.	Transactions in reorganization accounts-over 60 calendar days .....	<span style="border: 1px solid black; padding: 2px;">5280</span>	\$ <span style="border: 1px solid black; padding: 2px;">5290</span>
14.	Total .....	NONE <span style="border: 1px solid black; padding: 2px;">5320</span>	\$ <span style="border: 1px solid black; padding: 2px;">5330</span>
		No. of Items	Ledge Amount
15.	Failed to deliver 5 business days or longer (21 business days or longer in the case of Municipal Securities) .....	<span style="border: 1px solid black; padding: 2px;">5360</span>	\$ <span style="border: 1px solid black; padding: 2px;">5361</span>
16.	Failed to receive 5 business days or longer (21 business days or longer in the case of Municipal Securities) .....	<span style="border: 1px solid black; padding: 2px;">5363</span>	\$ <span style="border: 1px solid black; padding: 2px;">5364</span>
17.	Security concentrations (See instructions in Part I)		
	A. Proprietary positions .....		\$ <span style="border: 1px solid black; padding: 2px;">5370</span>
	B. Customers' accounts under Rule 15c3-3 .....		\$ <span style="border: 1px solid black; padding: 2px;">5374</span>
18.	Total of personal capital borrowings due within six months .....		\$ N/A <span style="border: 1px solid black; padding: 2px;">5378</span>
19.	Maximum haircuts on underwriting commitments during the period .....		\$ N / A <span style="border: 1px solid black; padding: 2px;">5380</span>
20.	Planned capital expenditures for business expansion during next six months .....		\$ NONE <span style="border: 1px solid black; padding: 2px;">5382</span>
21.	Liabilities of other individuals or organizations guaranteed by respondent .....		\$ NONE <span style="border: 1px solid black; padding: 2px;">5384</span>
22.	Lease and rentals payable within one year .....		\$ <span style="border: 1px solid black; padding: 2px;">5386</span>
23.	Aggregate lease and rental commitments payable for entire term of the lease		
	A. Gross .....		\$ N/A <span style="border: 1px solid black; padding: 2px;">5388</span>
	B. Net .....		\$ N/A <span style="border: 1px solid black; padding: 2px;">5390</span>

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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, which we consider to be material weaknesses as defined above.

We understand that practices and procedures, that accomplish the objectives referred to in the second paragraph of this report, are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe the Company's practices and procedures were adequate at December 31, 2001, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Marko Paneth + Shm u p

February 7, 2002

**ROSENTHAL INTERNATIONAL LIMITED**

**Financial Statements**

**December 31, 2001**

**CONFIDENTIAL**



Marks Paneth  
& Shron LLP

*Certified Public Accountants  
and Consultants*

### Independent Auditor's Report

Board of Directors  
Rosenthal International Limited

We have audited the accompanying statement of financial condition of Rosenthal International Limited as of December 31, 2001, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rosenthal International Limited as of December 31, 2001, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary schedules of Computation and Reconciliation of Net Capital Pursuant to Rule 15c3-1, Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3 and the schedules contained on pages 10 through 13 of the financial and operational combined uniform single report is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Marks Paneth & Shron LLP*

February 7, 2002

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*Associated worldwide  
with Jeffreys Henry  
International* 

**ROSENTHAL INTERNATIONAL LIMITED**

**Statement of Cash Flows**

**For The Year Ended December 31, 2001**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Net income		\$ 23,551
Changes in assets and liabilities		
Receivable from affiliate	\$ (20,714)	
Other assets	(4,965)	
Other liabilities	(750)	
Income taxes payable	(5,667)	
Interest in treasury bills	<u>(776)</u>	
Total adjustments		<u>(32,872)</u>
Net cash used for operating activities		(9,321)

CASH AND CASH EQUIVALENTS – beginning of year 64,522

CASH AND CASH EQUIVALENTS – end of year \$ 55,201

**Supplemental Disclosure of Cash Flow Information**

Cash payments for:

Income taxes \$ 19,693

The accompanying notes are an integral part of the financial statements.

**ROSENTHAL INTERNATIONAL LIMITED**

**Notes to Financial Statements (continued)**

**For The Year Ended December 31, 2001**

**NOTE 4: SECURITIES INVESTOR PROTECTION CORPORATION**

Pursuant to Regulation 240.17a-5(e) (4) the Company is a member of the Security Investor Protection Corporation (SIPC), and is subject only to the minimum annual assessment. The Company has filed its SIPC-7 general reconciliation form accordingly.

**NOTE 5: RELATED PARTY TRANSACTIONS**

The Company has assessed interest at .5% under prime on outstanding balance due from the related party. As of December 31, 2001 the balance due from the related party is \$700,549. For the year ending December 31, 2001, the Company earned \$45,714 of interest income and incurred overhead charges of \$25,000, which were paid to the affiliated company.

**NOTE 6: INVESTMENT**

The Company has an investment in a United States Treasury Bill. The treasury bill has a face value of \$100,000, bears interest at 1.62 percent and is due on February 16, 2002.

**NOTE 7: INCOME TAXES**

The components of the income tax liability for the year ended December 31, 2001 are as follows:

Federal Tax	\$ 4,229
New York State and City Tax	<u>4,832</u>
	<u>\$ 9,061</u>

**ROSENTHAL INTERNATIONAL LIMITED**

**Reconciliation of Net Capital**

**Audited and Unaudited**

**December 31, 2001**

Unaudited net capital	\$ 133,645
Decrease in other assets	(1,943)
Increase in other liabilities	(500)
Reduction of taxes payable	<u>7,948</u>
Audited net capital	<u>\$ 139,150</u>

The accompanying notes are an integral part of the financial statements.

**ROSENTHAL INTERNATIONAL LIMITED**  
**RECONCILIATION OF NET PROFIT BETWEEN**

**Audited and Unaudited**

**Statement of Financial Condition**

**December 31, 2001**

Unaudited net profit	\$ 18,046
Increase in other expenses	(500)
Reduction of tax expense	<u>6,005</u>
Audited net profit	<u>\$ 23,551</u>

The accompanying notes are an integral part of the financial statements.